

AMENDED IN SENATE MAY 22, 2007

AMENDED IN SENATE MAY 2, 2007

AMENDED IN SENATE APRIL 9, 2007

SENATE BILL

No. 980

Introduced by Senator Padilla

February 23, 2007

An act to add Section 9503 to the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 980, as amended, Padilla. Energy: local publicly owned utilities: adequacy of electric distribution system.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, *including electrical corporations*, and is authorized to establish rules for all public utilities, subject to control by the Legislature. *The existing Public Utilities Act requires the commission to adopt inspection, maintenance, repair, and replacement standards for the distribution systems of investor-owned electric utilities. Local publicly owned electric utilities, as defined, are governmental entities that are not under the authority and jurisdiction of the commission. Existing law requires the commission to publish and maintain certain documents and information, including making available on its Internet Web site, the commission's annual work plan, general orders, and Rules of Practice and Procedure, proposed and alternate proposed decisions and resolutions, rulings, and adopted decisions and resolutions.*

The existing restructuring of the electrical industry within the Public Utilities Act provides for the establishment of an Independent System

Operator (ISO) as a nonprofit public benefit corporation. Existing law requires the ISO to perform a review after any major outage that affects at least 10% of the customers of the entity providing the local distribution service. If the ISO finds that the operation and maintenance practices of the transmission facility owner or operator prolonged the response time or was responsible for the outage, the ISO is authorized to order appropriate sanctions, subject to the Federal Energy Regulatory Commission approving that authority.

This bill would require the commission, in a rulemaking proceeding, to evaluate, by November 1, 2009, the adequacy of the electric distribution system, as defined, of the 10 largest local publicly owned electric utilities, as defined, in the state pursuant to specified requirements. The bill would require the commission to report to the Legislature with the results of its evaluation and to make the report available to the public on its Internet Web site.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 9503 is added to the Public Utilities Code,
- 2 to read:
- 3 9503. (a) By November 1, 2009, the commission shall evaluate
- 4 the adequacy of the electric distribution system for the 10 largest
- 5 local publicly owned electric utilities, as defined in Section 9604,
- 6 in the state, based on the number of customers.
- 7 (b) The evaluation shall consider all of the following:
- 8 (1) The age and expected life of system components.
- 9 (2) Adequacy of maintenance.
- 10 (3) Level of recent and planned investment.
- 11 (4) Opportunities for improved energy efficiency from high
- 12 efficiency transformers.
- 13 (5) Performance reliability and system restoration after outages.
- 14 (6) Other characteristics the commission determines are
- 15 appropriate.
- 16 (c) The evaluation shall compare the adequacy of the electric
- 17 distribution systems of local publicly owned electric utilities with
- 18 ~~investor-owned~~ investor-owned electric utilities.
- 19 (d) *The commission shall conduct the evaluation in a rulemaking*
- 20 *proceeding and, upon completion of the evaluation, make a final*

1 *report to the Legislature and post the final report on the*
2 *commission's Internet Web site.*

3 *(e) This section does not confer authority to regulate local*
4 *publicly owned electric utilities upon the commission.*

5 ~~(d)~~

6 *(f) For purposes of this section, "electric distribution system"*
7 *includes all lines, substations, equipment, and facilities from the*
8 *transmission system to the customer meter, and all facilities for*
9 *operating and controlling that system.*

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